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WHAT THE INDUSTRY READS FIRST

Legacy Video: A Call to Delete Regs—Just Not Retrans Rules

As the **FCC** embarks on its Delete, Delete, Delete proceeding, there's a push to get rid of a lot of the regulation around cable TV as streaming and virtual MVPDs gain market share.

"You've got all the opportunity in the world and all the burdens that now lie on video providers—cable video providers, to be specific—should go away post haste," *Mike O'Rielly*, former FCC Commissioner and Strategic Advisor for **MPORielly**, said during a **Congressional Internet Caucus Academy** panel Monday exploring the challenges arising from the decline of legacy cable TV and rise of streaming.

The complicated nature of video regulation was highlighted by the fact that many of the Congressional staffers in attendance probably have never seen broadcast TV bunny ears or might only have a "vague memory of watching 'SpongeBob' on a cable network," noted Academy Executive Director *Tim Lordan*.

While O'Rielly applauded the FCC's plan to throw out most of the cable rate regulation on the books and called for deleting most rules around cable video, there's one notable exception: retransmission consent.

"You probably keep some things on retransmission just because it's such a messy situation. And you probably say, 'OK, we'll deal with that another day.' But pretty much everything else can go by the wayside and doesn't need to exist in the current universe," O'Rielly said.

Helping to punctuate the point is an FCC retransmission con-

sent complaint filed by **altafiber** Friday against **Nexstar**. Approximately 1,000 altafiber customers in the Dayton, OH, DMA have been without **NBC** affiliate WDTN since May 31. In the complaint published online Monday by the FCC, altafiber accused Nexstar of holding it "hostage" unless it agrees to carry the broadcaster's fledgling cable news network **NewsNation** in the Cincinnati DMA, where Nexstar has no broadcast television stations.

As the contract deadline drew near, altafiber said Nexstar offered it two options: "either commit to NewsNation carriage outside the Dayton DMA or agree to stand-alone retransmission rates that would immediately punish altafiber subscribers in the Dayton DMA and risk making altafiber's cable service in Dayton unaffordable and uncompetitive as it competes with the largest cable provider in the United States, **Charter Spectrum**." The second option included agreeing to rates to future station acquisitions (which could happen if the FCC eliminates the 39% ownership cap, something many expect) and WDTN rates that were "over 50% higher" than Nexstar's "previous outrageous demands," altafiber said.

The operator claims Nexstar's "eleventh hour take-it-or-leave-it" standalone retransmission consent agreement proposal is a per se violation of the FCC's retransmission consent negotiation rules. It also claims the broadcaster is eschewing public interest obligations in pursuit of pecuniary gain as well as financial demands unrelated to the Dayton DMA that rise to the level of being "sufficiently outrageous" to support a finding that it failed to meet its obligation to negotiate in good faith under the FCC's totality of the circumstances test.

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1 Cablefax
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Cheryl Leanza of **Best Best & Krieger** argued there's still some regulation needed beyond retrans. "There still are programmers who can't get uptake and who are actually being forced to sign contracts that tell them, if you want to be carried on **Comcast** or **DISH**, then you must not go direct to the consumer. You may not bring your content directly to the consumer. We're going to lock you in so you either go one distribution mechanism or the other," she said. "So the marketplace isn't quite working the way that we want as much as we would hope."

FUTURE OF C-SPAN

C-SPAN's fight to get carriage on vMVPDs such as **YouTube TV** and **Hulu + Live** was a major topic for Monday's panel, drawing several questions from the audience (and note to C-SPAN: there was confusion—with one audience member seeming to compare it to **PBS** and another suggesting incorrectly that cable operators were forced to carry it to meet public interest obligations). Earlier this month, Sen. *Chuck Grassley* (R-IA) introduced a resolution calling on the streaming services to add the cable-created public affairs programmer to their platforms. *Mike O'Rielly* said he's a big fan of C-SPAN, but it's a network the cable industry has funded and carriage is not mandated by the government. "Now you have a bill saying Congress should mandate that this has to be carried on these different types of distribution models and that's just not how the model has worked," he said. "If you want to change that, that's something for Congress to consider, but it seems like a very big stretch to take a private offering by the cable industry and say it has to be mandated elsewhere." *Kristian Stout*, Director of Innovation Policy at **International Center for Law & Economics**, said one option could be to take a subsidy approach. "Instead of making private companies figure out how to distort their own business models and not serve consumer interests, we're just going to create a fund of money, and then we're going to make sure C-SPAN is funded," he said, later noting that there's nothing stopping Congress from streaming sessions on their own. "But you have to look at the economics of those things and make sure that you're not doing something that makes it difficult for the private actors to actually still compete and develop things in the market that they want to give consumers."

CHARTER RAISING VIDEO PRICES

Charter is raising the rates of its most popular Spectrum TV Select Packages by \$5/month come July 15. The \$5 increase also will impact some legacy Silver and Gold packages. Subscribers on a promotional rate will not see their bills change until the end of their promos. Charter's Spectrum TV Select packages

now include access to major programmers' streaming apps, with the operator putting the retail value of the streaming services at \$82. Charter has deals to include **Disney+** Basic, **ESPN+**, **Paramount+** Essential, **ViX**, **MAX** with Ads, **Discovery+** with Ads, **Peacock** Premium, **AMC** with Ads, **BET+** Essential, and **Tennis Channel Plus** as part of Spectrum TV Select packages.

TRUMP WANTS ECHOSTAR DEAL

EchoStar shares closed up nearly 50% on Monday following a [report](#) from *Bloomberg* late Friday that President *Trump* met with CEO *Charlie Ergen* and **FCC** Chair *Brendan Carr* on Thursday and urged a deal on the company's wireless spectrum. Interestingly, even DISH's favorable carriage of conservative network **Newsmax** reportedly factored into the discussion. According to an ex parte at the FCC, Ergen and other EchoStar execs met with Carr and FCC staffers on Wednesday where they reiterated that its 5G Open RAN deployment covers more than 80% of the U.S. population with more than 24,000 5G sites deployed. The company has said the FCC probe has created a dark cloud of uncertainty as it faces a bond payment due later this month. "Reconsidering the grant of EchoStar's construction deadline extensions eight months after approval, changing the criteria upon which EchoStar's buildout is judged after the fact, or upending the 2 GHz band's sharing rules some twelve years after the Commission assured EchoStar that its operations would not face interference, would be unlawfully retroactive, arbitrary and capricious," the company said.

ALLEN, MCDONALD'S SETTLE SUIT

Byron Allen's \$10 billion lawsuit that alleged **McDonald's** discriminated against Black-owned media companies with its advertising spending was settled Friday. The two sides shook hands on a confidential commercial agreement that'll see the fast-food giant continue to purchase advertising from Allen's **Entertainment Studios Network** "in a manner that aligns with its advertising strategy and commercial objectives." In return, ESN will dismiss its lawsuit. McDonald's isn't admitting any wrongdoing by signing the commercial agreement, and the ads sold will be priced at market value. The suit was originally filed in 2021 on behalf of ESN and **The Weather Group**. A trial was scheduled to begin July 15 in L.A. "We are pleased to find a resolution that maintains our business relationship. During the course of this litigation, many of our preconceptions have been clarified, and we acknowledge McDonald's commitment to investing in Black-owned media properties and increasing access to opportunity. Our differences are behind us, and we look forward to working together," ESN/TWG said in a statement.

BROOKFIELD REPORTEDLY SHELLING OUT \$7B FOR HOTWIRE

Brookfield Infrastructure is making a strategic investment in Hotwire Communications, acquiring Blackstone's stake in the fiber provider. Financial details weren't released, but the WSJ quoting unnamed sources puts the value for Hotwire at around \$7 billion, including debt. There were rumblings earlier this year that T-Mobile might be interested in the company. Blackstone made an approximate \$1 billion investment in Hotwire in 2021 through its Infrastructure Partners and Tactical Opportunities Fund. "We are thrilled to welcome Brookfield Infrastructure as a strategic investor and owner of Hotwire alongside the management team. Their infrastructure expertise and partnership-oriented approach make them an ideal collaborator to maintain the core values of Hotwire as we expand our footprint and continue to deliver industry-leading technology and award-winning customer service," Hotwire CEO Kristin Johnson said in a statement that thanked Blackstone for its support during a "transformative period" for the company. That period included expanding into markets in California and other parts of the country as well hiring former Altice USA exec Pragash Pillai as CTO.

TEGNA ADDS ONLINE LOCAL NEWS

TEGNA is betting not everyone wants to watch "Good Morning America," "Today" or other network programming carried on its stations. The broadcaster is gearing up to launch a local news offering of live and on-demand local newscasts from 7 to 9am daily in 50+ markets through streaming, connected TV apps and station websites. TEGNA stations began testing the live digital news stream in the 7am time slot earlier this year, with the broadcaster reporting that some markets saw viewership increase by nearly 50% month-over-month (particularly spiking during severe weather and breaking news). Stations in 35 markets will offer local programming from 7 to 9am this summer, with 50+ markets expected to have live, local programming in that window this fall. In select markets, the programming will also be available on secondary broadcast networks. Otherwise, viewers will need to download the TEGNA station Plus app on a streaming device or visit their local station's website to access the live stream directly from a web browser.

TRUMP MOBILE IS HERE

The latest product President Trump is licensing his name on is Trump Mobile, a wireless service that will offer both a phone plan and a smartphone. Dubbed "The 47 Plan," it will cost \$47.45 (natch) for unlimited talk, text and data as well as free international calling to more than 100 countries. Additional benefits of signing up for the plan include telehealth services and roadside assistance. Trump Mobile says it is working with "all three major cellular carriers" to provide nationwide 5G service to its customers. Then there's the Trump phone, called the "T1." It's encased in gold-colored metal, with an engraving of the American flag on the back, and will cost \$499 when it arrives in August.

NEW ERA FOR FDSN

Throughout different parent companies and disputes with sports franchises, it's safe to say the FanDuel Sports Network RSNs have been put through the wringer over the years. As MLB is in full swing while the NBA and NHL near the conclusion of their respective seasons, FDSN is charting forth on a new chapter, one that began after its current owner Main Street Sports Group (formerly Diamond Sports) emerged from Chapter 11 bankruptcy. But times have changed, and the different areas of media partnerships in sports have become more cohesive, according to Chief Revenue Officer Eric Ratchman. "Their businesses were very siloed. Our ad sales groups, they sold sponsorships, we sold media. We looked at each other as competitors. There wasn't a lot of what I would call 'partnership.' It was a rights deal, and we went and did our thing and they did their thing. But the new model is very different," he said during a Stream TV Show fireside chat last week. Now, FDSN feels like it's truly collaborating with teams. Specific to ad sales, the company can go to market through packages that include sponsorship assets within the stadium. "On the streaming side, they're leaning into promoting and driving direct-to-consumer sales, because their biggest concern is reach, and they want to reach those fans who are no longer on cable television," Ratchman elaborated. The prospect of live sports is something streaming services salivate at, hence why Amazon and Prime Video jumped on a deal to carry the FDSN networks as add-on subscriptions. Ratchman said it's a known ratings tool that enhances acquisition and retention for a group of hyper-focused fans that engage with their teams often, and for FDSN, it doesn't hurt to be able to utilize Prime Video's widespread reach. FDSN, along with the MLB at large, has been trying to reach younger fans through a fragmented media space. That means being available across all platforms, in which Ratchman noted how FDSN is investing in expanding its presence on both streaming and social media platforms. "We need to reach young, up-and-coming fans. They're digitally native. A lot of talk [is] about broadcast, but that's not where the young fans are," he said. "My 15-year-old son, he doesn't know what a broadcast network is. If you want to reach young fans, and new fans, you've got to reach them where they are, and that's on social, that's on streaming platforms, that's on YouTube."

PEOPLE

Paramount Chief Program Acquisitions Officer Barbara Zaneri is retiring after 25 years at the company. During her tenure, Zaneri secured deals that led to the acquisition of shows such as "The Big Bang Theory" and "Two and a Half Men." Succeeding Zaneri will be Virginia Lazalde-McPherson, who will become Chief Acquisitions Officer for Showtime and MTV Entertainment Studios. Lazalde-McPherson joined Showtime in 2019 and has been a strategic player for shows like "Yellowjackets" and "Dexter: Original Sin." Zaneri will stay on at Paramount for a few more weeks to ensure a smooth transition.